

**TRANSCRIPT OF REMARKS  
BY UNITED STATES TRADE REPRESENTATIVE  
ROBERT B. ZOELLICK  
AT THE CLOSING CEREMONY OF THE VII ALCA/FTAA MINISTERIAL  
FRIDAY, NOVEMBER 1, 2002  
QUITO, ECUADOR**

I want to open by thanking President Noboa, Minister Moeller, Chairman Betancourt, and the many hard-working people on the Ecuador delegation. You've faced a difficult job, you've done very well, and you've produced a very fine product. For that we thank you.

I also want to thank the people of Quito and Ecuador for being extremely gracious hosts. So as our colleagues have mentioned earlier today, I am delighted that while we were here, President Bush could sign the proclamation for the expansion of the Andean Trade Preference Authority so that we can expand trade and, I hope, get some additional sales as we approach a holiday season for both of us.

I also want to thank the excellent work of Panama in the holding of the administrative Secretariat, and I know that our North American colleagues in Mexico will do an equally fine job in Puebla. I also want to thank the IDB, the OAS, and ECLAC because I think they are making an extraordinary contribution to the trade effort. I think the hemispheric cooperation program is a breakthrough concept. It is the practical integration of capacity building and aid within, and is the heart of a trade negotiation, a trade agreement -- and, of course, the follow through.

And here I want to thank the special contributions that our friends from CARICOM, as well as Central America, within the working group on small economies that helped us focus on this issue as we need to. And now we need to make it work. I hope that the next step will be to develop the national action plans and, of course, those that have a particular regional focus, as in the CARICOM context.

Yesterday I announced that the United States would back this effort with a proposal in the President's budget for the next year of \$140 million of technical capacity-building assistance. An increase of some 40% - and an increase of over 100% from 2001. But I hope that in this, as in many other ways, the work that we do in the Americas can not only be successful for all of us but it can be a model for the WTO. Because this is a challenge we face there as well. And for this I thank the Tri-Partite Group for their contributions, their leadership, and their willingness to work with the Trade Ministers.

As we all know, we are now entering an especially serious phase. We have schedules for market access. We have the Chairs of our committees. I would just urge all of us to consider how the participation of each country can make a contribution to real progress. Many have mentioned here the obligation of the larger countries, and I think that is appropriate. But I would also just point out that I have seen time and time again how smaller economies can help set the course and the pace.

And here I want to thank our friends from Central America who over the course of the past year have time and again not only helped in terms of their own contributions but helped with their ideas in terms of trying to resolve problems. I think that we face an exceptionally fortunate coincidence, because I think this is an especially good time for Brazil and the United States to become Co-chairs.

We all know that we will need to work together if the ALCA (FTAA) project is going to be successful. There is a new Administration in Brazil. It's a time of transition. And of course, this Administration will need some time. I have been part of Presidential transitions. I know that this takes some time to be able to assess and determine a course. I know my colleagues in the United States are open to working closely with both the outgoing team and the incoming team. In saying that, I want to mention that I have the utmost respect for the career officials at Itamaraty who, frankly, have been a pleasure to work with. They're tough; they're determined, but at the same time, they are extremely professional and they know how to solve problems.

I'd also in this context like to say a special word about my friend and colleague Celso Lafer. One of the distinct pleasures of public service is the opportunity to meet with, to work with, and to get to know people of rare qualities. In my book, Celso Lafer is at the top of the top rank. He approaches his tasks with intelligence, with integrity, with decency, with honor, and, equally important for me, with a very refined sense of humor. He's also offered us some wise counsel. We will miss him, but I hope we will still be able to draw on his services.

And it's typical, that even in these closing days, he's given us some very important counsel, and I want to share my perception of that with you. He's pointed out that, while we need to work with one another, we also will have to work on the ALCA or the FTAA within our countries. We are all democracies. We will need to explain; we will need to debate; we will need to listen; we will need to discuss. We shouldn't shrink from making the case for this common endeavor. And we shouldn't cede the field to those who would engage in scare tactics.

In our closing session Minister Alvaer of Chile spoke wonderfully about the experience in Chile, and one point that I would particularly draw from her remarks is that the openness of Chile has enabled Chile to cut its poverty rate in half. And there's an irony that I've encountered in this debate, because some of those who oppose the promotion of what we are about are also promoting the soft bigotry of low expectations for Latin America and the Caribbean. They suggest that it would be better to drop out or to leave behind. I think that would be an extremely serious mistake. Because with assistance, with attention, with special attention to the needs of each country, I believe we can promote the ability for all to take part and to benefit in this effort.

We've heard today again about the special concerns of the Caribbean countries which, I think, are highly appropriate. These are small economies. These are economies that are often subject to the vicissitudes of natural problems and disasters. I think that their willingness to work with us all is a testament to what we can achieve.

Minister Lafer's counsel also suggests another need, and that is the process of transparency. I am absolutely delighted, as my colleague, Pierre Pettigrew mentioned, that today, we'll be releasing this text in four languages: Spanish, Portuguese, French, and English. This was novel when we did it last year. There were questions about whether we could continue to do it again. And I think it is a good statement about the process that we are launching and are pursuing.

There are other ways that we can add to this. The United States has launched an environmental review process for the FTAA and we've offered to help other countries that may wish the same, including with aid assistance. We're in the process of doing this with Chile right now, with our bilateral FTA. We have also been directed by our Congress to do an employment review. A number have talked about the interest in doing similar studies.

But I think it's also important that we work with one another on this task. And, here again, I'll commend the leadership of Brazil. Because I was struck that the President of the lower House in Brazil is convening a symposium to lead the debate in this process. And, while I will unfortunately be committed in the Pacific, I've asked my Deputy, Peter Allgeir, to attend this and to attend another session that is taking place in Sao Paulo being put together by the Vargas Foundation.

Let me share with you a final observation. I want for all of you to know that I recognize that this is a time of economic and, indeed, political uncertainty in this region and indeed the world. I know the courage of many of you in taking on this task. But, in another sense, what better time is there to take on a great challenge together. Because free trade throughout the New World is a grand goal.

We know it's extremely difficult, but this is the time to make that effort. And I want all of you to know that President Bush is committed to working with your Presidents and your Prime Ministers to help us achieve this. If you strive for this goal, we will do so with you.

My view of the ALCA (FTAA) is that our objective is not just of an agreement, or even expanded trade. We need to keep in mind that our objective is growth, the alleviation of poverty, the creation of jobs, the creation of opportunity. Fundamentally, it is the creation of hope. We have now just over twenty-four months before the time goal set by our leaders. We will discuss ways with our Brazilian colleagues to try to engage Ministers more frequently. Because, we are now at the point, as we all understand, where we are talking about the overlap of trade, economics, and politics. And those are subjects that Ministers will need to be involved in to reach our goal.

I look forward to hosting you in Miami next year, and we look forward to completing this task in Brazil in the year 2004. Since my colleague, Minister Lafer, was so kind to give an American historical example, it prompted me to think of another one. I'm not totally sure I recall this date and time, but we had an earlier Secretary of State, Henry Clay, during the 1830's, at the time of the independence movement of Ecuador and others, who

very much believed in the process of a Western Hemisphere creation, in a sense, the precursor of what we're about today.

And if I recall, there actually was a hemispheric conference that was called in Central America. Henry Clay very much wanted to go to that conference, but he had to secure permission from the U.S. Congress. After a long battle, he finally secured the permission. But by the time he got the permission and started to travel, the conference was over.

So the one thing that I will promise all of you is this time the United States will not be late to the table. We'll work with our Brazilian colleagues on this effort that our Ecuadorian chair and others have pursued so ably in the last year and I believe we can achieve success.

Thank you.